

Service Date: February 10, 1988

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Request of	)	UTILITY DIVISION
Pacific Power and Light Company	)	
for Approval of Tariffs Revising	)	DOCKET NO. 87.12.87
the Residential Energy Efficiency	)	
Rider, Schedule 6.	)	ORDER NO. 5328

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FINAL ORDER

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BACKGROUND

On December 23, 1987, the Montana Public Service Commission (MPSC) received from the Pacific Power and Light Company (PP&L or Company) proposed tariff sheets revising the existing Residential Energy Efficiency Rider, Schedule 6.

The purpose of the proposed revisions is to incorporate energy efficiency standards for new construction into the existing tariff schedules. In addition, anticipating type thermostats for zonal electric heating systems have been added to the list of energy saving materials eligible for financing.

According to the PP&L filing, the Northwest Power Act (Act) directed the Northwest Power Planning Council (NWPPC) to develop model conservation standards (MCS) for new residential and commercial construction. The Act provided a negative incentive to assist in the implementation of the MCS. The NWPPC recommended and BPA agreed to impose, a 10 percent surcharge on BPA power sales and exchanges to customers in areas where the MCS has not been adequately implemented. PP&L indicates that as a purchaser of BPA power, it must implement the MCS or potentially face a surcharge.

In the proposed tariff revisions, PP&L is proposing to finance heat anticipating type thermostats for zonal electric resistance heating systems. Timed thermostats for central-heat systems are currently being offered under the existing tariff schedule. To ensure quality and energy savings, PP&L is proposing as a condition of service under Schedule 6, an energy efficiency requirement on the replacement thermostat.

PP&L is also proposing to adopt the Model Conservation Standards for new residential construction. The energy efficient standards promoted by the MCS include, but are not limited to, ceiling, floor and wall insulation; insulated glass; advanced framing and building techniques to accommodate insulation levels; heat recovery and nonheat recovery ventilation; and heat pumps. Payment will be made to the owner/builder upon verification and certification by the Company that the qualifying measurers have been installed. The payments to be made under the program are as follows:

<u>Climate Zone</u>	<u>Single Family</u>	<u>Multi-Family</u>
	<u>Per Bldg.</u>	<u>Per Lvq. Unit</u>
II (6,000-7,999 annual degree days)	\$1,250	\$1,250 + \$250*
III (8,000 + annual degree days)	\$1,250	\$1,250 + \$250*

\* Multi-Family units receive the Per Bldg. grant for the first unit of a building and \$250 per unit for all other units contained within that building.

#### COMMISSION DECISION

The Commission approves the proposed tariff revisions, as filed. Such approval is not to be construed as constituting a pre-approval of any costs associated with the tariff revisions for ratemaking purposes. PP&L will have the opportunity, as well as the burden, to demonstrate in a future rate proceeding that such costs are appropriately recovered from the ratepayers.

#### CONCLUSIONS OF LAW

The Pacific Power and Light Company is a public utility furnishing electric service to consumers in the State of Montana, subject to the supervision, regulation, and control of this Commission. Title 69, Chapter 3, MCA, Section 69-3-102, MCA.

ORDER

As provided herein, the proposed revisions to the Residential Energy Efficiency Rider, Schedule 6, as filed by PP&L, are approved.

Done and Dated this 20th day of January, 1988 by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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CLYDE JARVIS, Chairman

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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DANNY OBERG, Commissioner

ATTEST:

Ann Purcell  
Acting Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.